



Inpatient Stay Readmission Policy Effective 1/1/2021

The Department of Human Services (DHS) has notified us that Systems Notice 2020-018 replaces Systems Notice 2016-014 **beginning with admission dates and dates of service on or after January 1st, 2021.**

[View DHS System Notice 2020-18](#)

In accordance with the recent DHS notification, Aetna Better Health is taking the necessary steps to update our Hospital Readmissions processes. Hospital readmissions with an **admission date and dates of service on or after January 1st, 2021 should no longer be combined** into a single claim.

1. Hospital readmissions should be billed separately.
2. Our system will show two separate claims, an inpatient stay that was approved and paid by Aetna Better Health and, another inpatient stay that was denied.
3. If a patient is readmitted to the hospital due to complications of the original diagnosis and this results in a different DRG with a higher payment rate, Aetna Better Health will pay the higher DRG.
4. If the combined hospital stay qualifies as an outlier, an outlier payment will be made.

Questions?

We're here to help. Just contact our Provider Relations department at 1-866-638-1232.

Thank you for the quality care you provide our members.

Sincerely,

Provider Relations
Aetna Better Health of Pennsylvania

Systems Notice #SYS-2020-018 Encounter Data Hospital Related Readmission Encounter Submission

Purpose: To provide Physical Health (PH) and Community HealthChoices (CHC) managed care organizations (MCOs) guidance in identifying and properly submitting hospital related readmission encounters.

Procedure: Identify a hospital related readmission with a clinical review of subsequent inpatient hospital admission occurring within thirty days of the initial admission's date of discharge to assess the criteria in MAB 01-11-41, Revised Payment Policy for Hospital Readmissions, is met.

For the MCO to accurately illustrate a hospital related readmission, the MCO should submit the original and readmission encounters by using the following method:

1. Ensure one encounter is MCO Paid. This may be the first admission encounter. If after a clinical review the MCO decides to pay the second related readmission encounter because of a higher payment rate, the first admission encounter must be voided.
2. Submit the MCO Paid admission encounter to PROMISE. The MCO payment should be contained within the first payor loop/CAS segment and the services paid should still be illustrated with CARC 24 which crosswalks to a carrier indicator of '9 – Service was Approved/Accepted by the MCO'.
3. Submit the MCO denied encounter to PROMISE. This denied encounter would either be for the first hospital admission after the void is complete OR the second related readmission. The MCO zero payment (denial) should be contained within the first payor loop/CAS segment and the services denied should be illustrated with CARC 249 which crosswalks to a carrier indicator of '6 – Service was Denied due to Readmission'.

Technical Guidance:

MCO Paid Admission Encounter CAS

CAS01 – Send value 'CO'.

CAS02 – Send value '24'.

CAS03 – Send the difference between the billed amount and MCO paid amount.

MCO Denied Admission Encounter CAS

CAS01 – Send value 'CO'.

CAS02 – Send value '249'.

CAS03 – Send the dollar value of '\$0.00'. Voiding an MCO Paid Encounter

Claim Frequency Code of '8' should be contained in Loop 2300, Segment CLM, Data Element CLM05-03.

Claim Original Reference Number should be contained in Loop 2300, Segment REF, Data Element REF02 (Claim Original Reference Number) positions 1 through 13.

(more below)

Next Steps:

DHS is currently taking steps to add the use of CARC 249 to PROMISe processing which will crosswalk to a newly designated carrier denied indicator of '6 - Service was Denied due to Readmission'. Use of CARC 249 should only be associated with the denied hospital related readmission encounter where the MCO has a payment illustrated of zero.

MCOs will be required to begin hospital related readmission encounter submissions as instructed in this systems notice beginning **January 1, 2021.**

MCOs should begin to review current processing methods and ensure they can accommodate these changes including the identifying of the respective encounters and the submission of CARC 249. As noted above, MCOs will need voiding capabilities in instances where a paid encounter needs voided and replaced with a denied encounter with CARC 249.

If you have any questions, please email PH_Encounters@pa.gov or CH_Encounters@pa.gov.